

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 356 – SB 404

March 25, 2017

SUMMARY OF ORIGINAL BILL: Authorizes local boards of education to provide payroll deductions for dues of professional employees' organizations. Authorizes local boards of education to withhold up to 10 percent of professional organization dues for administrative purposes.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Revenue – Exceeds \$100,000/Permissive

Increase Local Expenditures – Exceeds \$100,000/Permissive

SUMMARY OF AMENDMENT (005795): Deletes and rewrites the bill such that the only substantive change is to remove the provision which provided that if such payroll deductions were made, local boards of education may withhold up to 10 percent of professional organization dues for administrative purposes.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase Local Expenditures – Exceeds \$100,000/Permissive

Assumption for the bill as amended:

- The provisions of the bill as amended are permissive; however, for the purpose of this analysis, it is assumed that all local education agencies will begin payroll deductions in FY17-18.
- There are two major educator professional organizations: The Tennessee Education Association (TEA), and the Professional Educators of Tennessee (PET).
- Based on information provided by the Comptroller of the Treasury, TEA has approximately 46,000 members and PET has approximately 20,000 members.
- It is unknown the extent to which local boards of education will adopt the provisions of this bill as amended. However, given the 64,939 active teachers statewide (according to the latest state report card), as well as widespread membership in professional organizations among teachers, it is reasonably estimated that the permissive recurring

increase in local expenditures for the provision of administrative services will exceed \$100,000 statewide.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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